

CONSULTANT/SUBCONTRACTOR GUIDELINES

The following general information clarifies OFP policy relative to subcontractor or consultant agreements and outlines the types of information needed to assist OFP in reviewing consultant or subcontractor agreements and Memoranda of Understanding.

A. AGREEMENT CRITERIA

1. A subcontract or Memorandum of Understanding (MOU) is an agreement between the Grantee and an entity or individual who agrees to perform any administrative or service function for the Grantee specifically related to securing or fulfilling the Grantee's obligations to the State under the terms of the grant award.
2. A subcontractor is any person or entity, which has entered into an agreement and receives payment from the Grantee specifically related to securing or fulfilling the Grantee's obligation to the State under the terms of the grant award.
3. The Grantee must receive prior approval in writing by the State before the Grantee enters into the agreement for any subcontractor that receives \$5,000 or more. The Grantee is to provide:
 - The written proposal to OFP prior to finalization of the agreement(s) and prior to signing by both parties. The subcontract's Workplan and budget are to be attached.
4. The Grantee is responsible for all requirements under the grant even if a subcontractor carries out the requirements.
5. The Grantee must notify OFP immediately of termination of any agreement that exceeds \$5,000.

B. CONSULTANT/SUBCONTRACTOR GUIDELINES

1. A consultant is an individual whose level or area of expertise relating to the target population extends beyond that possessed by project staff. The typical services provided by a consultant is advice on programmatic issues, e.g., group facilitation, in-service training, program design and development, etc. The use of consultants must be clearly defined in the work plan and must not be in lieu of the employees or volunteers of the Grantee.
2. Consultant fees should not exceed \$350 per eight (8) hour day (43.75 per hour). The negotiated fee is to be complete compensation.
3. At no time should a consultant's fee exceed the fee of a comparable State civil service classification, inclusive of all costs excluding travel/per diem. The rate should be commensurate with the consultant's level of training, expertise and national recognition. Every effort should be made to negotiate the lowest possible cost.

4. If consultant fees exceed \$350 per eight (8) hour day, prior approval in writing by OFP will be required before the grantee will be reimbursed for any consultant services. The request for authorization must include:
 - a. A complete explanation that demonstrates the necessity or desirability for the services and the reasonableness of the cost.
 - b. An explanation of the bid process. For example, provide three competitive fee quotations or adequately justify the absence of bidding and provide a statement why the consultant was selected.

C. CONSULTANT/SUBCONTRACTOR AGREEMENT LANGUAGE

The consultant/subcontractor agreement language must include, but is not limited to the following:

1. The execution date of the agreement, legal name of both parties, and the prime grant award number.
2. The time period (starting date and ending date) for performance or activities. The agreement time period must be WITHIN the prime grantee's term.
3. The total amount to be paid to the consultant/subcontractor. Amount must correspond to the dollar amount provided in the Grantee's Workplan. All reimbursements for services must be necessary and reasonable.
4. The consultant's/subcontractor's Workplan. Include a complete description of the work or service to be performed/provided or product(s) to be delivered. Time period(s) for work completion and deliverables should be compatible with prime grantee's time periods.
5. The method of reimbursement (monthly or quarterly, prospective or in arrears, lump sum at completion of work, etc.).
6. Identify payment provision and related deliverables in order for consultant/subcontractor to receive payments.
7. Attach Budget Detail Worksheet and Budget Justification to agreement.
8. A provision stating: "The consultant/subcontractor agrees to comply with all terms and conditions and exhibits of the (Grantee) grant award with the State of California, Office of Family Planning, Grant Award #_____.

Consultant or subcontractor services are to be used only for activities directly related to the project. The use of a subcontractor or consultant must be clearly defined in the Workplan, Budget Detail Worksheet, and Budget Justification. Grantee shall notify its OFP designee of any proposed use of consultant/subcontractor agreements to ensure

that appropriate state requirements are met regarding such agreements. Grantee shall maintain a copy of any agreements entered into for the performance of the project and shall make it available for State examination.